be credited to the Social Security and Medicare trust funds, which would extend their solvency and give us flexibility to target tax cuts. In other words, let's do tax cuts we can afford.

Certainly, there are some tax cuts that are necessary. We can increase the standard deduction for both single and married filers. We can provide tax relief to married couples who suffer as a result of their having been married. We can offer a long-term tax credit, providing a deduction for long-term-care insurance premiums. In America today, people are living longer, more productive lives. As a result, there are a lot of people going to extended-care facilities. It has become a tremendous burden for people placed in these institutions. We need to provide some tax credits for people who buy insurance for their golden years. This tax cut makes it easier not only for the people who buy the insurance but for families who care for their elderly family members.

We need to increase deductions to make health insurance more affordable and accessible, especially for self-employed Americans. We need to increase the maximum amount of child care expenses eligible for tax credit. These are targeted, reasonable tax cuts that would more evenly distribute the load.

I think it is remarkable we can pick up the paper Sunday and get the good news. The good news is, Federal income taxes are the lowest they have been in America for 40 to 50 years. I think that says a lot for the 1993 Budget Deficit Reduction Act that passed without a single Republican vote; we passed it. The Vice President came to the Senate and broke the tie. As a result of that, America has been put on a long-term economic upturn. Not only has there been great economic news in that the economy is doing well for a record amount of time but, in addition to that, taxes are lower than they have been in 40 to 50 years.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I understand we have 45 minutes in morning business set aside.

The PRESIDING OFFICER. That is correct.

Mr. DORGAN. Mr. President, if I could be notified after 12 minutes.

NEED FOR ACTION ON PRESSING HEALTH ISSUES

Mr. DORGAN. Mr. President, I want to talk about two issues we must address in this Congress before the end of the year, both dealing with health care. I will describe very briefly why these are important and why many have been pushing for some long while to try to get the Senate to act on this issue.

First is prescription drugs and Medicare. On Friday of the past week, I was in New York City with Senator CHUCK SCHUMER holding a hearing on the issue of prescription drugs and Medicare. I have held similar hearings in Chicago, in Minneapolis, and various places around the country as the chairman of the Democratic Policy Committee. We have had virtually identical testimony no matter what part of the country we were in. Senior citizens say drug prices are very high. When they reach their senior years, living on fixed incomes, they are not able to access prescription drugs that they need.

In Dickinson, ND, a doctor told me of a patient of his who had breast cancer.

He told the woman after her surgery that she was going to have to take some prescription drugs in order to reduce the chances of the recurrence of breast cancer. When she found out what the cost of the prescription was, she said: I can't afford to take these drugs.

The doctor said: Taking them will reduce the risk of recurrence of breast cancer.

The woman said: I will just have to take my chances.

Why did she say that? Because there is no coverage in the Medicare program for prescription drugs and because many of these prescription drugs cost a significant amount of money. Senior citizens in this country are 12 percent of America's population, but they consume 33 percent of the prescription drugs in our country.

Last year, spending on prescription drugs in the United States increased 16 percent in 1 year. Part of this increase is the increase in drug prices and part is greater utilization of prescription drugs.

What does that mean? It means that everyone has a rough time paying for prescription drugs, especially senior citizens who live on fixed incomes. Many of us believe that were we to create a Medicare program today in the Congress, there is no question we would have a prescription drug benefit in that program.

Most of these lifesaving prescriptions were not available in the sixties when Medicare was created. But a lifesaving prescription drug can only save a life if those who need it can afford to access it. That is the point. That is why many of us want to include in the Medicare program a benefit for prescription drugs. We do not want to break the bank. We want to do it in a thoughtful way. We would have a copayment. We would have it developed in a manner that allows senior citizens to choose to access it or not. They could either participate in this Medicare prescription drug program or they could decide not to do it.

In any event, we ought to do something on this subject. Those of us who have come to the floor over and over again saying this is a priority believe with all our hearts this is something we should do for our country.

I will take a moment to describe part of the pricing problem with prescription drugs. The U.S. consumer pays the highest price for prescription drugs of anyone else in the world.

I ask unanimous consent to show a couple of pill bottles on the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, these are two pill bottles. They are a different shape, but they contain the same pill made in the same factory, made by the same company.

This happens to be a pill most of us will recognize. It is called Claritin. It is commonly used for allergies. This bottle of 100 tablets, 10 milligrams each, is sold in the United States for $218. That is the price to the customer in the United States. This pill bottle is sold in Canada. It is the same pill made by the same company, in the same number of tablets and the same strength, but this bottle costs only $61. The same bottle of pills is $218 to the U.S. consumer; to the Canadian consumer, $61. By the way, the Canadian price has been converted into U.S. dollars.

One must ask the question: Do you think the pharmaceutical manufacturers are losing money in Canada selling it for $61? I guarantee you they would not sell it there if they were losing money, but they charge 358 percent more to the U.S. consumer. I will demonstrate another drug.

These two bottles contain Cipro. It is a common medicine to treat infection. This time, the drug is actually packaged in the same type of bottle, with the same marking, same coloring, and containing the same pills made by the same company. Incidentally, both were from facilities inspected by the FDA in the United States. Cipro, purchased in the United States, 500 milligram tablets, 100 tablets, costs $399. If one buys the pills in the same bottle in Canada, it is $171. The U.S. consumer is charged 233 percent more.

We need to do something about two issues: One, we need to put some downward pressure on pharmaceutical drug prices and to ask the legitimate question: Why should the American consumer pay higher prescription drug prices than anyone else in the world? Is that fair? The answer, of course, is no.

What does it mean to those who can least afford it? It means lifesaving medicine is often not available to those who cannot afford access to it. I can tell my colleagues story after story of folks who came to hearings I held in Chicago, New York, and all around the country describing their dilemma. There were people who had double lung transplants, heart transplants and cancers, talking about $2,000 a month in prescription drug costs.

This is serious, and this is trouble for a lot of folks. We need to do something

about putting downward pressure on prescription drug prices.

I have a solution for that, and that is to allow US pharmacists and distributors access to the same drugs in Canada and to bring it down and pass the savings along to the US consumers. We have to pass a law to do that. We are having a little trouble passing that bill.

Second, we need to add a prescription drug benefit to the Medicare program.

I will now turn to the Patients' Bill of Rights, which is the second piece of legislation we ought to get done. The Senate has passed a bill, some call it the ''Patients' Bill of Goods'' because it did not do much and it covered few people. The House passed a bipartisan bill, the Dingell-Norwood bill. Democrats and Republicans joined to pass this bill. It is a good bill.

The Senate and House bills are in conference. The House appointed conferees who voted against the House bill because the House leadership does not support the bipartisan bill that passed the House. We have a paradox of conferees from the House who, by and large, do not support the House bill, which is the only good bill called the Patients' Bill of Rights.

I will describe a couple of the elements of the Patients' Bill of Rights, which are so important.

First is the situation with Ethan Bedrick. One might say: You have done that before; that is unfair. It is not unfair. Health care denied to individuals is a very personal issue. When we have a framework for health care delivery in this country that denies basic health care services under certain HMOs and certain policies to people who need it, it is perfectly fair to talk to people in the Senate about the need to change public policy.

This is little Ethan Bedrick from Raleigh, NC. When he was born, his delivery was very complicated. It resulted in severe cerebral palsy and impaired the motor functions in his limbs. As you can see, he has bright eyes and a wonderful smile. When he was 14 months old, his insurance company curtailed his physical therapy. Why? Because they said he only had a 50-percent chance of walking by age 5. A 50-percent chance of walking by age 5 is not enough, they said. This is a matter of dollars and cents, so Ethan shall not get his physical therapy.

Is it fair to raise these questions? Of course it is. Should someone like Ethan with a 50-percent chance of walking by age 5 have an opportunity for the physical therapy he needs? You bet. Should we have a Patients' Bill of Rights that will guarantee him that access under an HMO contract? You bet.

We have in the House of Representatives Dr. GREG GANSKE, a Republican, and very courageous fellow, I might add. He is one of the key sponsors of the Patients' Bill of Rights in the House of Representatives. Dr. GANSKE is also someone who has done a substantial amount of reconstructive surgery.

He used this photograph, which is quite a dramatic photograph showing a baby born with a very serious defect, a cleft lip shown in this picture. Dr. GANSKE was a reconstructive surgeon before he came to Congress. He said he routinely saw HMOs turn down treatment for children with this kind of defect because they said it was not medically necessary.

I thought when I heard Dr. GANSKE make that presentation the first time: How can anyone say correcting this is not medically necessary?

Then Dr. GANSKE used a picture which showed what a correction looks like when reconstructive surgery is done. Isn't it wonderful what can happen with good medicine? But it can only happen if that child has access to that reconstructive surgery.

Is it a medical necessity? Is it fair for us to discuss and debate the Republican policy? The answer is clearly yes.

Let me also mention a case I have discussed before on the floor of the Senate, young Jimmy Adams. Jimmy is now 5. When he was 6 months old, he developed a 105-degree fever. When his mother called the family's HMO, they were told they should bring James to an HMO-participating hospital 42 miles away, even though there were emergency rooms much closer.

On that long trip to the hospital, this young boy suffered cardiac and respiratory arrest and lost consciousness. Upon arrival, the doctors were able to revive him, but the circulation in his hands and feet had been cut off. As you can see, he lost his hands and feet.

Why didn't they stop at the first emergency room or the second emergency room that was closer? Because the HMO said: We will only reimburse you if you stop at the emergency room we sanction. So 42 miles later, this young boy had these very serious problems and lost his hands and feet.

What are we to make of all this? We have very significant differences in the Patients' Bill of Rights between the House and the Senate. The differences in the bill of rights in the House and the Senate are the differences dealing with medical necessity. As used in HMO contracts:

> Medical necessity means the shortest, least expensive or least intense level of treatment, care or service rendered or provided, as determined by us.

The fact is, health care ought not be a function of someone's bottom line. Young Ethan, young Jimmy, or the young person born with a severe birth defect, like the cleft palate defect of the type I described, ought not be a function of some insurance company's evaluation of whether their profit or loss margin will suffer by providing treatment to these patients.

A woman fell off a cliff in Virginia, dropped 40 feet and was rendered unconscious. She went into a coma and was brought into an emergency room and treated for broken bones and a concussion. They wheeled her into the emergency room on a gurney, while unconscious, yet the HMO later, after she survived, said: We will not pay for your emergency room treatment because you did not have prior approval.

This is a woman, unconscious, in a coma, wheeled into an emergency room, but she did not get prior approval. That is the sort of thing that goes on too often in this country in health care. It ought to be stopped. It can be stopped if we pass a Patients' Bill of Rights. Not if we pass a patients' bill of goods that someone tries to misname to tell their constituents they have done something when, in fact, they stood up with the insurance companies, rather than with patients. We need a Patients' Bill of Rights that really digs in on these issues: What is a medical necessity? Do patients have a right to know all of their options for treatment, not just the cheapest? Do they have those rights?

The piece of legislation that was passed in the House gives patients those rights. The piece of legislation the majority passed in the Senate does not. We are going to continue to fight to try to get something out of this conference committee that medical patients in this country, that the American people can believe will give them some basic protection, some basic rights, so that the kinds of circumstances I have described will not continue to exist in this country.

Health care ought not be a function of someone's profit and loss statement. People who need lifesaving treatment ought to be able to get it. The ability to access an emergency room during an emergency ought not be something that is debatable between a patient and an HMO.

Those are the issues we need to deal with in the coming couple of months—both of them health care issues, both of them important to the American people. I hope that as this debate unfolds, we will have some bipartisan help in trying to address prescription drugs in Medicare, No. 1, and, No. 2, passing a real Patients' Bill of Rights, to give real help to the American people.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. Mr. President, I ask unanimous consent I be able to proceed in morning business for a period of 12 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET PRIORITIES

Mr. JOHNSON. Mr. President, this week the Senate Budget Committee is